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Arizona Corporation Commission

RE: Tariff filing for Certificate T-04194A-03-0514

2004 DEC 17 A 9 05

AZ CORP COMMISSION DOCUMENT CONTROL

Arizona Corporation Commission

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Dear Docket Control Center:

1200 West Washington St.

Enclosed is US LEC Communications Inc. original tariff filing. An original and thirteen (13) copies of US LEC Communications Inc. Arizona CC No. 1 Tariff designed to provide for Resold IXC services in the state of Arizona are provided. Counsel has notified US LEC Corp. to provide an applicable tariff to the Commission prior to January 20, 2005. The issue date is December 17, 2004 and the effective date is issued as January 16, 2005 in accordance with the Arizona 30-day rule.

If you have questions regarding this filing, please contact me at (704) 319-1476 or egriffin@uslec.com.

Sincerely,

Edward H. Griffin Regulatory Manager

C: Joan Burke, Osborn Maledon, P.A., of counsel to US LEC Communications Inc. in Arizona

Enclosure – original tariff with 13 copies

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES APPLYING TO INTEREXCHANGE COMMUNICATIONS SERVICES WITHIN THE STATE OF ARIZONA

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the Company's principle place of business, Monday – Friday, 9:00 a.m. to 5:00 p.m. local time, located at 6801 Morrison Boulevard, Charlotte, NC 28211.

Phone 1-800-978-7532 (toll free)

Issued: December 17, 2004

Effective: January 16, 2005

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SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- C To signify changed regulation.
- D To signify discontinued rate or regulation.
- I To signify increased rate.
- M To signify a move in the location of text.
- N To signify new rate or regulation.
- R To signify reduced rate.
- S To signify reissued matter.
- To signify a change in text but no change in rate or regulation.

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TARIFF FORMAT

- A. Page Numbering Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. <u>Page Revision Numbers</u> Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect.

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TARIFF FORMAT (Cont'd)

- C. <u>Paragraph Numbering Sequence</u> There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of interexchange services by US LEC Communications Inc., to residential and business customers within the State of Arizona. US LEC Communications Inc. operates as a competitive telecommunications company.

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SECTION 1 - DEFINITIONS

Certain terms used generally throughout this tariff are defined below.

Advance Payment: Part or all of a payment required before the start of service.

<u>Automatic Number Identification (ANI)</u>: Allows the automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of ANI is to allow for billing of toll calls.

Bit: The smallest unit of information in the binary system of notation.

Commission: The Arizona Corporation Commission

<u>Communications Services</u>: The Company's intrastate toll and local exchange switched telephone services offered for both intraLATA and interLATA use.

Company: US LEC Communications Inc., the issuer of this tariff.

<u>Customer</u> or <u>Subscriber</u>: The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Dial Pulse (or "DP"): The pulse type employed by rotary dial station sets.

<u>Dual Tone Multi-Frequency (or "DTMF")</u>: The pulse type employed by tone dial station sets.

<u>Duplex Service</u>: Service which provides for simultaneous transmission in both directions.

<u>Federal Communications Commission (or "FCC")</u>: Independent government agency that develops and implements policy concerning interstate and international communications.

<u>Fiber Optic Cable</u>: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

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SECTION 1 - DEFINITIONS

<u>In-Only</u>: A service attribute that restricts outward dial access and routes incoming calls to a designated answer point.

<u>Joint User</u>: A person, firm or corporation which is designated by the Customer as a user of services furnished to the Customer by the Company and to whom a portion of the charges for the service will be billed under a joint user arrangement as specified herein.

<u>Kbps</u>: Kilobits per second, denotes thousands of bits per second.

<u>LATA</u>: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

<u>Local Exchange Carrier or ("LEC"):</u> Denotes any individual, partnership, association, joint-stock company, trust or corporation engaged in providing switched communication within an exchange.

Mbps: Megabits, denotes millions of bits per second.

Multi-Frequency or ("MF"): An inter-machine pulse-type used for signaling between telephone switches, or between telephone switches and PBX/key systems.

<u>Recurring Charges</u>: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

<u>Service Commencement Date</u>: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

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SECTION 1 - DEFINITIONS

<u>Service Order</u>: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

<u>Shared</u>: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Three-Way Calling: Allows a station line user to add a third party to an existing conversation.

<u>Two Way</u>: A service attribute that includes outward dial capabilities for outbound calls and can also be used to carry inbound calls to a central point for further processing.

<u>User or End User</u>: A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

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2.1 <u>Undertaking of the Company</u>

2.1.1 Scope

The Company undertakes to furnish intrastate communications service for residential and business customers pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission between points within the State of Arizona.

Customers and users may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

2.1.2 Shortage of Equipment or Facilities

- A) The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- B) The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions

- A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customer will also be required to execute any other documents as may be reasonably requested by the Company.
- C) At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination. In the event of a termination after the initial service term, advance charges will be billed on a pro-rate basis.
- D) Service may be terminated upon written notice to the Customer if:
 - 1) the Customer is using the service in violation of this tariff;
 - 2) or, the Customer is using the service in violation of the law.
- E) This tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for its choice of laws provision.

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2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company

- A) The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be determined in accordance with SDCL 49-13-1, 49-13-1.1 and any other applicable law.
- B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, work stoppages, or other labor difficulties.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- C) The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers.
- D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.1.4(E) as a condition precedent to such installations.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- F) The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- G) The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.5 <u>Notification of Service-Affecting Activities</u>

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.6 Provision of Equipment and Facilities

- A) The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B) The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- C) The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- D) Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- E) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.6 Provision of Equipment and Facilities (Cont'd)

- F) The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - 1) the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
 - 2) the reception of signals by Customer-provided equipment.

2.1.7 Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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2.1 Undertaking of the Company (Cont'd)

2.1.8 Ownership of Facilities

Title to all facilities, other than inside wiring on the Customer's side of the demarcation point, provided in accordance with this tariff remains in the Company, its agents or contractors

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2.2 Prohibited Uses

- A) The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- B) The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Arizona Corporation Commission regulations, policies, orders, and decisions.
- C) The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.
- D) A customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- A) the payment of all applicable charges pursuant to this tariff;
- B) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Communications Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(C). Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

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2.3 Obligations of the Customer (Cont'd)

2.3.1 General (Cont'd)

- E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;
- F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(D); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any reasonable time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- G) not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and
- H) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

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2.3 Obligations of the Customer (Cont'd)

2.3.2 Claims

With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- A) any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- B) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2.4 <u>Customer Equipment and Channels</u>

2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- A) Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.
- B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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2.4 <u>Customer Equipment and Channels</u> (Cont'd)

2.4.3 Interconnection of Facilities

- A) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- B) Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.
- C) Facilities furnished under this tariff may be connected to customer provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.
- D) Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an "end user" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

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2.4 <u>Customer Equipment and Channels</u> (Cont'd)

2.4.4 Inspections

- A) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2(B) for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary, to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for services and facilities furnished by the Company to the Customer, as well as all charges for services and facilities furnished by the Company to all persons using the Customer's codes, premises, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's authorization codes, premises, switched access connections, and direct connect facilities is the sole responsibility of the Customer. All calls placed using such direct connect facilities, authorization codes, premises, or switched access connections will be billed to, and must be paid by, the Customer.

A) <u>Taxes</u> (billed as separate line item)

All charges and fees subject to Arizona Corporation Commission jurisdiction, except taxes and franchise fees, will be submitted to the SDPSC for prior approval.

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however, designated) (excluding taxes on Company's net income) imposed on or based upon the provision, sale or use of Network Services.

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2.5 Payment Arrangements (Cont'd)

2.5.2 Billing and Collection of Charges

- A) Non-recurring charges are due and payable from the customer upon receipt of the invoice.
- B) The Company shall present invoices for Recurring Charges monthly to the Customer, in arrears of the month in which service is provided, and Recurring Charges shall be due upon receipt of the invoice. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.

 Billing Format:

Page 1:Summarizes previous balance, adjustments, payments/credits, new charges and balance due. Includes account specific bill message. Contains remittance stub for payment.

Page 2: Answers to frequently asked bill questions. Lists US LEC entities.

Page 3: Federal Taxes, State/Other Taxes, Payments/Credits, Discounts, Account Level Charges, Usage Summary by Type of Call, Number of Calls, Number of Minutes and Charges.

Page 4+: Service Instance (phone number, calling card number, etc.), Non-Recurring Charges, Monthly Recurring Charges, Usage Detail, Total for Service Instance.

C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a prorata basis. For this purpose, every month is considered to have 30 days.

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2.5 Payment Arrangements (Cont'd)

2.5.2 Billing and Collection of Charges (Cont'd)

- D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E) A late payment penalty will be due to the Company upon any current unpaid amount commencing 28 days after the date of the invoice. The late payment penalty shall be the portion of the current payment minus any charges billed as taxes for any local government not received by the 28th day after the date of the invoice multiplied by a late factor of 1.5%.
 - 1. The date on which the bill is delivered to the U.S. Mail, or delivered to the customer's premises, along with the date by which the payment must be received, will be printed on the Customer's bill
 - 2. The late payment charge shall not be applied to any amount billed as taxes which utilities are required to collect on behalf of local government.
- F) The Customer will be assessed a charge of twenty dollars (\$20.00) for each check submitted by the Customer to the Company which a financial institution refused to honor.
- G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over regulated charges.
- H) If service is disconnected by the Company in accordance with section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges.

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2.5 Payment Arrangements (Cont'd)

2.5.3 Advance Payments

The Company will not collect Advance Payments before facilities or services are furnished, however, the Company reserves the future right to modify its Advance Payment policy as permitted by the Arizona Corporation Commission.

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2.5 Payment Arrangements (Cont'd)

2.5.4 Deposits

The Company will not collect Customer Deposits before facilities or services are furnished, however, the Company reserves the future right to modify its Customer Deposit policy as permitted by the Arizona Corporation Commission.

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2.5 Payment Arrangements (Cont'd)

2.5.5 Discontinuance of Service

- A) Upon nonpayment of any regulated amounts owing to the Company, the Company may, by giving 5 business days prior written notice to the Customer, discontinue or suspend service without incurring any liability. In cases of bankruptcy, receivership, abandonment of service, or abnormal toll usage not covered adequately by security deposit, Company may give Customer less than 5 days notice in order to protect the Company's revenues. Service may not be denied on the last business day of any week or the last business day prior to the holidays as specified elsewhere in this tariff unless the Customer's failure to keep prior payment promises, bankruptcy, receivership, abandonment of service, or abnormal toll usage is involved.
- B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 5 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- D) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

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2.5 Payment Arrangements (Cont'd)

2.5.5 <u>Discontinuance of Service</u> (Cont'd)

- E) In the event of fraudulent use of the Company's network, the Company will discontinue service without notice and/or seek legal recourse to recover all costs involved in enforcement of this provision.
- F) Upon the Company's discontinuance of service to the Customer under Section 2.5.5(A) or 2.5.5(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent). For good cause shown, the Commission may exempt a Customer from the penalties provided in this sub-section.

2.5.6 Cancellation of Application for Service

A) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun (all discounted to present value at six percent).

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2.5 Payment Arrangements (Cont'd)

2.5.6 Cancellation of Application for Service (cont'd)

- B) Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- C) The special charges described in 2.5.6(A) through 2.5.6(B) will be calculated and applied on a case-by-case basis.

2.5.7 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.5.8 Settlement Agreements

If a residential customer is unable to pay a charge when due, the Company and the residential customer will enter into an initial settlement agreement under which the charge may be paid as mutually agreed to by both parties.

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2.6 Allowances for Interruptions in Service

Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

- A) When service is interrupted for a period of at least 24 hours after notice by the Customer to the Company, an allowance equal to 1/30 of fixed billing cycle charges for services and facilities furnished by the Company rendered useless or substantially impaired shall apply to each 24 hours during which the interruption continues after notice by the customer to the Company. Credit in any billing period shall not exceed the total non-usage charges for that period for the services and facilities furnished by the Company rendered useless or substantially impaired.
 - (i) The word "interruption" shall mean the inability to complete calls due to equipment malfunctions or human errors. "Interruption" does not include, and no allowance shall be given for, service difficulties such as slow dial tone, circuits, busy or other network and/or switching capacity shortages. Nor shall "interruption" include the failure of any service or facilities provided by a common carrier or other entity other than the Company. Nor shall the interruption allowance apply where service is interrupted by the negligence or willful act of the customer, or where the Company, pursuant to the terms of this tariff, terminates service because of non-payment of bills or deposits due to the Company, unlawful or improper use of the Company's facilities or service, or any other reason covered by this tariff or by applicable law.
 - (ii) No allowance shall apply to any non-recurring or usage charges.

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2.6 Allowances for Interruptions in Service (Cont'd)

2.6.2 Limitations on Allowances

No credit allowance will be made for:

- A) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;
- B) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- C) interruptions due to the failure or malfunction of non-Company equipment;
- D) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- E) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- F) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
- G) interruption of service due to circumstances or causes beyond the control of Company.

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2.6 Allowances for Interruptions in Service (Cont'd)

2.6.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits

2.7 Use of Customer's Service by Others

2.7.1 Resale and Sharing

Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws or Arizona Corporation Commission governing such resale or sharing. Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.7.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

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2.8 Cancellation of Service

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.6.1 above), the Customer agrees to pay to the Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period, set forth in 2.5.2.

The Customer's termination liability for cancellation of service shall be equal to:

- A) all unpaid Non-Recurring charges reasonably expended by the Company to establish service to the Customer, plus;
- B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer, plus;
- C) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term.

2.9 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

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2.10 Notices and Communications

- A) The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- B) The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- C) All notices or other communications required to be given pursuant to this tariff are requested to be in writing. At the Company's request, notices or other communications given pursuant to this tariff by the Customer to the Company in a telephone call, may be required to be confirmed in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- D) The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

2.11 800 Number Porting

US LEC will participate in porting toll-free numbers only if the customer account balance is zero and all undisputed charges incurred as a result of the toll-free number have been paid.

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SECTION 3 - APPLICATION OF RATES

3.1 Introduction

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- A) Calls are measured in durational increments identified for each service.

 All calls which are fractions of a measurement increment are rounded-up to the next whole unit.
- B) Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.
- C) Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.
- D) Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- E) All times refer to local time.

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SECTION 3 - APPLICATION OF RATES

3.3 Rates Based Upon Distance

Where charges for a service are specified based upon distance, the following rules:

A) Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of vertical and horizontal (V&H) geographic coordinates, as referenced in the Local Exchange Routing Guide issued by Telcordia, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number. The Customer may obtain V&H coordinates from the Company or Telcordia for use in the formulas in determining proper rate treatment for distance-sensitive service rates under this tariff.

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SECTION 3 - APPLICATION OF RATES

3.4 Time Periods Defined

Unless otherwise indicated herein:

3.4.1 All rate plans:

a. Day: 8:00 a.m. - 5:00 p.m. - Mon-Fri

b. Evening: 5:00 - 11:00 p.m. - Sun-Fri

c. Night/Weekend: 11:00 p.m. - 8:00 a.m. - All days

8:00 a.m. - 11:00 p.m. - Saturday 8:00 a.m. - 5:00 p.m. - Sunday

d. Holiday: For the following Holidays, the Evening Time Period rates are used, unless a lower rate would normally apply:

Christmas Day**
Martin Luther King Day*
Memorial Day*
Veterans Day**
Independence Day**

New Year's Day**
Presidents Day*
Columbus Day*
Thanksgiving Day
Labor Day

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^{*} Applies to Federally observed day only.

^{**} When this Holiday falls on a Sunday, the Holiday calling rate applies to calls placed on the following Monday. When this Holiday falls on a Saturday, the Holiday calling rate applies to calls placed on the preceding Friday.

SECTION 4 - SERVICE AREAS

4.1 Service Areas

4.1 <u>Service Area</u>: The Company includes all the exchanges in Arizona as the potential areas where service is planned, where facilities are available and pending appropriate interconnection agreements.

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SECTION 5 - MESSAGE TELECOMMUNICATIONS SERVICE

5.1 <u>Description</u>

Message Telecommunications Services ("MTS") consist of the furnishing of outbound message telephone service between telephone stations located within the state.

5.2 Rates

a. PROGRAM NAME: Advantage Plus Long Distance Service

<u>BILLING:</u> 30 second minimum/6 second increments

Per minute rates will be prorated.

US LEC Advantage Plus Long Distance Service offers smaller single and multi-line business customers the ability to select US LEC as their Presubscribed Interexchange Carrier for the completion of Intrastate calls. Advantage Plus Long Distance can be used in conjunction with other US LEC toll products, or as a stand-alone offering. Advantage Plus Long Distance is available throughout the entire US LEC service area. However, Advantage Plus will not be available with payphone, cellular or mobile telephone service. Locations where Advantage Plus Long Distance service is offered will be billed on the basis of a minimum billing increment of 30 seconds, with 6 second increments thereafter.

Calls to All Areas

\$0.15 per minute

A Monthly Recurring Charge (MRC) is required for any and all locations as follows.

	Per Line
Multi-line Business	\$4.25
Centrex Lines	\$2.00

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SECTION 5 - MESSAGE TELECOMMUNICATIONS SERVICE

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SECTION 6 - 800 SERVICE

6.1 <u>Description</u>

800 Service is an inbound-only service in which callers located within the State may place toll-free calls to a telephone in the 800/888/877 area codes assigned to the Customer.

6.2 Rates

a. PROGRAM NAME: Advantage Plus Toll Free Service

BILLING: 30 second minimum/6 second increments

Advantage Plus Toll Free Service is an inbound only service in which callers located within the State may place toll-free calls to a subscriber's telephone number in the toll free area codes assigned to the Customer. Locations where Advantage Plus Toll Free Service is offered will be billed on the basis of a minimum billing increment of 30 seconds, with 6-second increments thereafter.

Calls to All Intrastate Areas

\$0.15 per minute

Advantage Plus Toll Free Service subscribers will also be subject to a monthly recurring charge for each location subscribed and for each number utilized.

Monthly Recurring per Location \$20.00 Monthly Recurring per 800 number \$4.00

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SECTION 6 - 800 SERVICE

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SECTION 7 - OTHER SERVICE ARRANGEMENTS

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SECTION 8 - MISCELLANEOUS SERVICES

8.1 Service Implementation

8.1.1 Description

Absent a promotional offering, service implementation charges will apply to new service orders or to orders to change existing service.

8.1.1 Rates

Non-Recurring

Per Service Order

\$25.00

8.2 Restoration of Service

8.2.1 Description

A restoral charge applies to the re-establishment of service and facilities suspended because of nonpayment of bills and is payable at the time that the re-establishment of the service and facilities suspended is arranged for.

8.2.2 Rates

Non-Recurring

Per Occasion

\$50.00

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SECTION 8 - MISCELLANEOUS SERVICES

8.3 Payphone Surcharge

8.3.1 Description

US LEC charges a surcharge for 1-8XX and dial-around (101XXXX) calls originating from any payphone used to access the US LEC network where those charges are not otherwise collected at the payphone or by the payphone service provider. The charge is in addition to standard tariffed usage charges and surcharges.

8.3.2 Rates

Per call

\$0.50

8.4 US LEC Calling Card (Post Paid)

8.4.1 Description

Post Paid Calling Cards provide Customers the ability to complete telephone calls from any touch tone phone while directing billing for such calls to their US LEC account. The US LEC Calling Card is a proprietary, 800 number based, calling card product. A distinctive 800/888/877 number, unique to US LEC, is provided upon a unique physical card. Usage will be billed by US LEC to the Customer's US LEC account, broken out by individual user card number.

8.4.2 Rates

Per minute

\$0.19

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SECTION 8 - MISCELLANEOUS SERVICES

8.5 <u>Directory Assistance</u>

A Customer may obtain Directory Assistance in determining telephone numbers within the State of Arizona by calling the Directory Assistance operator. Directory Assistance charges apply for all requests for which the Company's facilities are used. Each number requested is charged as shown below. Requests for information other than telephone numbers will be charged the same rate as shown for the applicable request for telephone numbers.

Rate Per Call

\$.95

A credit will be given for calls to Directory Assistance when:

- -the Customer experiences poor transmission or is cut-off during the call,
- -the Customer is given an incorrect telephone number, or
- -the Customer inadvertently misdials an incorrect Directory Assistance NPA.

To receive a credit, the problem experienced must be reported either to the Company operator or Business Office.

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SECTION 9 - SPECIAL ARRANGEMENTS

9.1 Temporary Promotional Programs

The Company may make promotional offerings of its tariffed services, which may include reducing or waiving applicable charges for the promoted service. No individual promotional offering will exceed six months in duration, and any promotional offering will be extended on a non-discriminatory basis to any customer similarly classified who requests the specific offer. The Company will submit its Promotions by letter to the Commission Staff outlining the promotion, listing the tariffed item being promoted, and the promotion's start and end dates in lieu of filing language in the tariff.

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SECTION 9 - SPECIAL ARRANGEMENTS

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